Gasette's New York Letter.

THE PANC. New York, May 26th. My last letter closed, I believe, with the Grant and Ward brokerage firm swindle and its collapse, in which the Marine Bank and its President, Mr. James D. Fish, was interested, and with which it went down. Since then Wall street has indeed had a monkey and parrot time of it, and the startling use of the word "Panic" in big black type has been a conspicuous feature of the display headlines in

We have, in truth, had a panic, but not the The panic has, properly speaking, been confined to Wall street, and except in so far as temperarily higher rates for money could not, (for temporarily higher rates for money could not, (for two days severe atringency hore) and in causing renewed caution on the part of buyers generally throughout the country, has in no way reflected in the legislimate mercantile world. In 1873 there was a sudden and, to almost everyone, an unex-pocted shrinkage in the prices of staples of all kinds. This, of course, showed a like effect at once in quotations in speculative lines, and a genuine panic was the result. Ever since the midanimaer of 3881 the prices of commodities have been under going a gradual decline in price. Laquidation has in this been accomplished in trade circles by a more natural and a healthful action.

SO PARIC DI COMMUNICIAL LINES.

There was therefore no room for a panic in commercial times, for interior buyers had long since been taking from jobbers and manufacturers for consumption only, and not been anticipating their wants to any great extent, and had therefore been skirting along the casts of trade convenient to a safe harbor at the first right of a blow. Wheat at Chicago is 20 per cent chasper than it was one year ago, and flour nearly as much. Cotton goods are greatly reduced in price, in part owing to the great increase in new mills. East and particularly in the South. Wood, too has declined in value, and at present reats dull in the face of of the incoming clip. Nearly one-half the woollen machinery in the country is idle, and the Associated New England cotton goods mills as much. The iron industry may be chiracterized by the anthracing feasework, of which 60 per cent are idle. But they didn't. Hearned in the street ward time, with a number of shear thin it was two pears ago. Consumption of from has been curtailed by the shurp restriction on railway extension, which in 1882 mounted to something over 6,000 mills in 1882. To-day furnaces are working on orders only, are pilling no iron, and are preparing, when a new demand does come, to lake overy legitimate ad-

The price of sugar, raw and refined, has gone off fully 25 per cent since the lat of May, 1883, and to-day the market is quoted dull. The under-estimating of the European crop of best-root sugar is supposed to be largely responsible for this. Stocks at New York and London are still far in excess of those at the like period in 1883. The meet encouraging views as to higher prices, however, are based on the fact that this year's losses will discourage planters in the Philippines, West Indies and the beet-sugar men in Europe from producing as heavily as last year, and that existing low prices will greatly increase consumption. Coffee, too, has had a severe full, and the Brazilian syndicate who began a year age an attempt to practically who began a year ago an attempt to practically corner the coffee market, have failed, and sunk

All this shrinkage, then, with that attendant in collateral branches of trade and industry, has placed the commercial community where a panic was practically impossible. Credits are not see a tended, heavy stocks are not the rule, and these facts alone sutdartaw the find essential to a gentile ranke, which may be described as simply a loss of confidence in the ability of the trade to meet its engagements and a consequent rush upon all oreditors, thus causing solvent arms to fall. WALL STREET.

Wall street, however, had not been so successful in treating itself heroically to prevent a crash. To be sure the shrinkage in the price of stocks had been going on for nearly three years, but the process had been delayed and throttled and held back at every possible turn by a little crowd of so-called "bulls"—the heavy capitalists of the city and of "the street," who after every fresh drop, would announce oraclistly that "the bottom" had now been reached and give orders to their friends on the board to buy. In this way, through pools and combinations, they time and again checked a natural leak of the "water" in stocks and finally succeeded in loading themselves up very heavily with their favorite securities. Frequently their example was followed by a host of small buyers and by their friends and others—to their ultimate cost. It seems strange too, that these men, capitalists, business men of experience, many of them, had not wit enough to understand that Wall street cannot find a boom, or advance in the prices of its securities until the legithmate business of the country shoof takes an upward turn, until the new business reflects itself in the earnings of the railway, telegraph and other corporations whose stocks are listed, and until the great body of traders at large have begun to realize a more profitable business, for it is out of the surglus scannings of the country that Wall street thrives. When the people are poor or practining economy, as at present, stocks must and will show it, said he who starts a boom at such a time will have to swallow it unless he be shrewd enough to unload his holdings upon his dopes.

his dopes.

ORAST AND WAID.

In this way Wall street prices had been clogged in their natural path down hill, on the trail of prices of staple commodities, and unfortunately, swindlers per se had made their neast side by side with bankers and brokers who did not wear the borrowed plumage of honored names to shield them. Grant and Ward came to the end of their rope, I suppose I should say Ward did, for every body appears inclined to intimate that Grant was the fool and Ward the knave. Fish of the Marins Bank is hand-in-glove with Ward, and Fish was practically the Marine Bank at least so far as his conduct of the bank's affairs was concerned. The bank had a good name. The city had \$1,000.000 there. A good many of the heavy sugar refusing the oreadolous to invest large sames for his promise of 10 per cent per mouth profits, in mysterious and unexplained Government contracts which it is now known had no existance—these facts I say startled Wall stroet, for it was known that many in high places had been captured by the Grant & Ward bait. Grant, as you may see figured, unwittingly of course, as a "capper" in a swindling game—one on par with "bunke." When the heavy embezdement of three or four and chard and appears to be prevailed it with the common the soundest bank uptown. I so president's father and others interested, advanced the sequence it was floored, the banks became alarmes and the street itself almost panie stricken. The Secona Vational Bank had been the soundest bank uptown, he prevented its substance of the seriol of the French have thus pushed their cards at Tonquin. The pattern has been successfully cut, the question have been deplayed their cards at Tonquin. The pattern has been successfully cut, the question may be cause alarmed and the fact of the part of the pattern has been successfully cut, the question may be cause alarmed and the part of the part of the pattern has been successfully cut, the question may be a successfully cut, the question may be conting the beauty cut the confined of the being

Then the panie began in dead earnest. The President of the Metropolitan was Mr. George I. Sensy, a well known railroad promoter. It was this fact—that Mr. Sensy was a "apeculative bank president"—which heightened the effects of the shock. How many more banks were to follow suit owing to having energetic, excessively 'enterprising" and "speculative' presidents? That day seven stock brokerage houses amounteed their inability to meet their contracts, in some instances owing to the unwillingness of the braiks to make loans at all on the kind of stock collateral they had to offer. The banks belonging to the clearing house got together and took measures for self-protection; each was to aid the other in case of arm. In this way they were, of course, enabled to resist any attack which would in any likilihood be made. They also made arrangements to have the Metropolitan continue, which it has since done. The snapension of Donnell, Lawson & Simpson, a private bank, acting as New York correspondent for over 400 country banks, was due to "panie" unthe period of its executive. It meed not have happened at all. It had a million deposited with the Metropolitan. After the latter closed its doors a check drawn by D., L. & S. Ior \$5,000 on the Metropolitan and presented elsewhere, was refused. If came back, the cashier took it to the bead of the bouns, who said: "What refused payment? Well, close the doors." As the cashier said in relating this, "And all for a measty little check for \$1,000, when the firm was worth net fully \$5,000,000."

Meanwhile the scene on the Boor of the Slock

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Meanwhile the scene on the Boor of the Slock

Hawaiian Gazette Supplement June 18

Hatch, was President of the Stock Exchange. In-ability to get money from the banks for stock col-lateral had most to do with it. Even government bonds were not accepted. In this way the banks (punic-stricken themselves) did more to foster the

counte-atricken themselves did more to foster the worst elements of the situation than anything else, and for 24 hours persisted in this course. Legal tenders (government promises to pay without interest) were wanted, and security was offered in the shape of government bonds—the Nation's promises to pay with interest—and refused! Longineded bonks! The next day the Clearing house amounced that they would make loans to the amount of \$20,000,000 on government bonds, and some order came out of chaos. Fortunately it now appears that Fisk & Hatch and Donnel, Lawson & Simpson may be enabled to resume.

IN JAIL. IN PARL

Ward is in Ludlow street jail, in Tweed's old cell, and the reporters say is writing out a statement of his operations which, it is hinted, may have the effect of swelling the cabin passonger list on out-going ocean steamers. The officers are after Mr. Fisu, he of the Marine Bank, as well as Mr. Jho. Eno late of the Second National Bank. They searched the house of the latter on Satorday but did not find him. It is ransored (of course) that Eno has cut and run for Canada. Fish has been arrested. Meanwhile the panic is over. Quiet has returned to the atreet and stocks are still being permitted to shrink. It was expected

Jim Keene, who dropped just before the panie as asked an extension from his creditors and stockies to pay in full. Even his enemies pre-lict that he will be on his feet ere long.

Girt that he will be on his feet ere long.

"FUND" AND "CALLA."

Rosseil Sage sells "pots" and "calls" and "straddles," which to most people out of "the street" are mysterious. Of late, on the declining market, he has been dealing in "puts," principally. When he sells you a "put" he gives you for, say \$100, a contract agreeing to permit you to "put" to him (which he will take) say 100 shares of Erie stock, now selling at 15½, and for which he will pay you 10. The put runs, say \$90 days. Thus for \$100 he agrees to pay you \$10 per share any time within \$90 days, as you please, on one day's notice. He is betting the price will not go below 10 and you are cetting it will. If it does, you you out and borrow the stock (or buy it) and put it to him. Suppose it goes to 8 within 30 days. You serve notice of intention to put, buy your stock at 8 and put it to him and be pays you 10 for it. A "call" is the reverse of a "put," the bet being (practically) that the price will not go above a certain figure, itself nagher than the price at the time of making the contract. A "straddie" combines a "put" and a "call" and gives the parchaser a profit if the price of the stock goes either s. many points above or below the present price. Russell Sage has made onlinons in selling privileges, and has flattened the eagle on every coin containing one which has come into his hands, before lotting it go again. "FUTS" AND "CALLA." come into his hands, before letting it go again. During the crash toose who had bought "puts" almost all made money, prices going so low. Sage's office was beseiged by brokers who had his puts. He used up four check books paying for his privileges and it is said checked out about \$5,000,000. He is worth more than its times that

General Grant is broken down by his experience with Ward. He is on cratches yet from the effects of his fail on the lot sidewalk hast winter. He does not read what the papers say about him and his unfortunate association. He is getting sour, too. Ke wonder. Who wouldn't?

There is no news in the line of amusements.
Summer snaps" occupy the theatres and leg shows the light opera houses.

The weather is warm and the thermometer most ambitions. The suberbs and near by watering places are beginning to feel their importance. Well-to-dos are arranging to get out of town for the summer. European steamers are well filled—with a few trusted but selfish officials and others—and summer dulness and lassitude overcomes everybody.

The Gazette's Paris Letter.

Increased.

The Egyptian question is in deeper Egyptian darknoss than over. One day Gordon is assented to be holding his own; the next, he is told the Campbells are coming; then this being April when clouds sweep the sunshine suddenly away, he is announced to be preparing for an Xenophon retreat by Contral Africs. May be succeed and live as long as the Greek, less banishment for his recompnese. It is mineured that the European powers will soon ask England. What have you done with Egypt? It is strained, by the sauden cossistion of the French press—on the stage their manimity is wonderful—of attacks against England. When he will be the fact be noted, will the measure?

The Recidiviste bill, let the fact be noted, will the lecidiviste bill, let the fact be noted, will the measure of the stage their manimity is the sum of the french press—on the stage their manimity is wonderful—of attacks against England. The first properties of the fact be noted, will be the fact be noted, will be the fact be noted, will the measure of the fact be noted, will be the fact be noted.

International Company of the Stock Exchange—to use a classic phrase—'beggared description.' It will not be saying too much to instituate that the brokers were temperarily means. There was, of course, method in their madness that pandemonium were a paradise compared to it. Other firms of stock brokers "laid down." But the most severe abscit, next to that caused by the Metropolitan Bank, was the asspension of Flak & Hatch, the junior partner of which, Mr. A. S.

most refined, because educated, alas! pointion.
Releague will be construed as a noun of multitude,
and the flag will cover the cargo. To get rid of
the home fifth, that's the main and sole question.

MINUKLIANEOUS.

Peruse the address of the French Academicians, read at the tercentary of the Eduburgh university. It is perfect in style, tact, matter and construction: though the "whole strength of the company," I mean the "Immortals," was brought to bear on its construction, the honor of laying down the keel, belongs to the Duc of Aumale.

An agriation is gaining ground that the health of not only the pupils but of their teachers, in the public achools of France, is being compromised by too much head work, and too little repose. It is a good thing to furnish a head well, but it is better to let the head first grow. Let the box be made before you pack it, even with loads of learned lumber.

and the beauty sees a seed and the sees of the sees of

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